

April 21, 2022

**Kimberly-Clark de México, S.A.B. de C.V.
FIRST QUARTER 2022 RESULTS**

Highlights:

- Significant sequential improvement.
- First quarter sales of Ps. \$12.6 billion, up 4% year over year and 7% sequentially, an all time high.
- Very challenging raw materials cost environment.
- Ps. \$300 million of savings from the cost reduction program.
- EBITDA of Ps. \$2.5 billion, up 20% sequentially.

QUARTERLY FINANCIAL RESULTS

Prepared in accordance with International Financial Reporting Standards (IFRS)
Million pesos

	<u>1Q'22</u>	<u>1Q'21</u>	<u>CHANGE</u>
NET SALES	\$12,574	\$12,109	4%
GROSS PROFIT	3,938	4,663	(16)%
OPERATING PROFIT	2,006	2,741	(27)%
NET INCOME	1,092	1,602	(32)%
EBITDA	2,515	3,243	(22)%

	<u>1Q'22</u>	<u>4Q'21</u>	<u>CHANGE</u>
NET SALES	\$12,574	\$11,719	7%
GROSS PROFIT	3,938	3,481	13%
OPERATING PROFIT	2,006	1,638	22%
NET INCOME	1,092	790	38%
EBITDA	2,515	2,089	20%

Net sales increased 4% to a new record driven by a 7% increase in price and mix while volume was down 3%. Sequentially, sales increased 7% with price and mix up 4% and volume 3%.

Consumer products decreased 1% vs last year, growing sequentially 9%. Away from Home increased 12% and exports grew 51% (with finished product sales growing more than 20%) versus last year.

We face an unprecedented global commodity and raw material price inflation environment which continues to impact our costs and as a consequence gross profit was down 16% compared to 1Q'21, with a margin of 31.3%. Against last year every commodity and raw material compared negatively. Pulp prices were up an average of 30%, imported recycled fibers close to 70%, while domestic recycled fibers and fluff averaged high teens increases. In personal care, superabsorbents were up 50% and polypropylene resin prices grew close to 10%. Finally energy compared negatively while natural gas compared positively (considering the effects from last year's winter storm). The FX was slightly higher, averaging 1% more.

Our cost reduction program had good results yielding approximately Ps. \$300 million of savings in the quarter. In March we started the operation of a new non-wovens machine at our Tlaxcala mill. This machine will allow us to significantly improve products in the personal care segment, while at the same time achieve important cost savings.

Operating expenses were 1% higher and as a percentage of sales were 50 basis points lower than in 1Q'21. We have always been a very lean and efficient company and we continue to look for additional opportunities to streamline our operations, without compromising the investment behind our brands.

Operating profit decreased 27% and margin was 15.9%.

EBITDA decreased 22% to Ps. \$2.5 billion in the quarter, and margin was 20.0%. EBITDA increased 20% sequentially, a 220 basis points improvement.

Cost of financing was Ps. \$419 million in the first quarter, compared to Ps. \$422 million in the same period of last year. Foreign exchange loss in the quarter was Ps. \$4 million compared to a Ps. \$18 million gain last year.

Net income decreased 32% and earnings per share for the quarter was \$0.36.

During the last twelve months, we invested Ps. \$2,257 million in Capex. We paid Ps. \$5,294 million in dividends to our shareholders; and repurchased shares for Ps. \$136 million.

We maintain a very solid balance sheet. As of March 31, the company held Ps. \$12.4 billion in cash and equivalents. Total net debt was Ps. \$14.5 billion. All debt is denominated in Mexican pesos, and the ratio of net debt to EBITDA was 1.5 times.

In dollars, under US GAAP, net sales increased 3% in the quarter while operating profit and net income decreased 26% and 33% respectively.

In March, our shareholders approved a dividend of Ps. \$1.64 per share, in line with our commitment to distribute cash to our shareholders while maintaining a solid capital structure.

FINANCIAL POSITION

Million Pesos

	As of March	
	<u>2022</u>	<u>2021</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 12,398	\$ 15,739
Trade and other receivables	7,993	6,807
Inventories	4,280	3,937
Property, plant and equipment	17,268	16,440
Right of use assets	1,281	1,280
Non-current derivative financial instruments	3,426	4,087
Intangible assets and others	<u>2,832</u>	<u>2,975</u>
Total	\$ 49,478	\$ 51,265
<u>Liabilities and equity</u>		
Bank loans current	\$ 235	\$ 235
Current portion of long term debt	3,000	-
Current lease liabilities	246	245
Current derivative financial instruments	7	-
Trade payables	8,683	7,400
Employee benefits	1,348	1,580
Dividends payable	5,083	5,334
Provisions	1,929	2,116
Current income tax payable	78	201
Long term debt	24,561	28,069
Non-current lease liabilities	1,141	1,124
Non-current derivative financial instruments	1,116	1,597
Deferred taxes	123	218
Other liabilities	343	646
Equity	<u>1,585</u>	<u>2,500</u>
Total	\$ 49,478	\$ 51,265

CASH FLOW

Million pesos

	Three months ended March	
	<u>2022</u>	<u>2021</u>
Profit before tax	\$1,587	\$2,319
Depreciation and amortization	509	501
Other	419	423
Cash used in operations	<u>(964)</u>	<u>(1,380)</u>
Net cash flow from operating activities	1,551	1,863
Capital expenditures and others	(565)	(454)
Payment of borrowings	-	(3,579)
Payments of lease liabilities	(95)	(87)
Payment of net interest and other	<u>(657)</u>	<u>(654)</u>
Net increase (decrease) in cash	234	(2,911)
Effect of exchange rate changes on cash	(111)	66
Cash and equivalents at the beginning of period	12,275	18,584
Cash and equivalents at the end of period	12,398	15,739

Conference Call Information

The 1Q'22 conference call will be held on Friday, April 22, 2022 at 9:30 am Eastern time (8:30 am Central time / Mexico time). To participate in the call, please dial: US +1(800) 343-1703, international +1(203) 518-9895; conference ID: 52412

A replay of the conference call will be available through April 29, 2022. To access the replay, please dial US +1(800) 934-4548, international +1(402) 220-1175; conference ID: 52412

Kimberly-Clark de México, S.A.B. de C.V. is a Mexican company that manufactures and commercializes branded consumer products such as diapers, feminine pads, bath tissue, napkins, facial tissue, paper towels, wet wipes and soap. We are market leaders in almost all of our categories with brands such as Huggies, Kleen-Bebé, Kleenex, Kimlark, Pétalo, Cottonelle, Depend, Kotex, Evenflo and Escudo.

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